

ABSTRACT

1 A system and method for customer-side market segmentation and categorization.
2 This segmentation is done without disclosing sensitive private customer information to
3 the business. A customer downloads a categorization module to a portable device (PDA,
4 wireless cellular phone, etc.) or personal computer. A business defines a decision
5 procedure corresponding to a set of defined customer categories. The business sends their
6 rule set to the customer's device, which uses the rules and a set of stored customer-
7 specific historical and demographic information to determine into which of the business-
8 specific customer categories the customer falls. The categorization module may use any
9 of a variety of methods, such as decision trees, neural networks, Bayesian belief
10 networks, k -nearest neighbor, genetic algorithms, or rule sets. The customer category is
11 sent to the business without other personal data for the business to prepare appropriate
12 promotional material or initiate specific actions.